

Kosovo Agribusiness Development Program
Quarterly Report March - May 2002

Submitted by

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List of Commonly-used Acronyms

ABK	American Bank of Kosovo
ABU	Agri-business Unit (part of EAR)
AIC	Agricultural Information Campaign (under EAR)
AKA	Alliance of Kosovar Agribusinesses
Anadrini	Drini Valley Vegetable Producers Association
CFA	Central Fiscal Authority (of UNMIK)
CORDAID	Catholic Organization for Relief and Development
CPC	Crop Protection Chemical(s)
EAR	European Agency for Reconstruction
EFRP	Emergency Farm Reconstruction Project (under FAO)
FAO	Food and Agricultural Organization of the United Nations
FFP	Food for Progress
FINCA	Foundation for International Community Assistance
FTA	Free Trade Agreement
IFDC	Center for Soil Fertility and Agricultural Development
KADP	Kosovo Agribusiness Development Program
KASH	Agribusiness Council of Albania (Albanian acronym)
KBFF	Kosovo Business Finance Fund
KBS	Kosovo Business Support
KDRA	Kosovo Directorate for Rural Affairs
KNAP	Kosovo NGO Advocacy Program
KODAA	Kosovo Dealers of Agri-inputs Association
KSB	Kosovo Statistical Bureau
KTA	Kosovo Trust Agency
LBK	League of Beekeepers of Kosovo
MAFRD	Ministry of Agriculture, Forestry and Rural Development
MBRC	Macedonian Business Resource Center
MFE	Ministry of Finance and Economics
MTI	Ministry of Trade and Industry
SHPUK	Kosovo Association of Poultry Producers and Feed Manufacturers
SHMK	Kosovo Flour Millers Association
SOE	Socially (State) Owned Enterprise
STC	Short Term Consultant
UNMIK	United Nations Mission in Kosovo
USAID	United States Agency for International Development

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Introduction

For consistency and ease of understanding, the Kosovo Agribusiness Development Program (KADP) quarterly reports have followed the format of the work plan submitted to the United States Agency for International Development (USAID) in June 2001. Hereafter they will follow the revised workplan submitted to USAID in April 2002. Progress is reported for each of the three main program areas (consolidation of trade association accomplishments; building long-term association sustainability; and increased production, output and revenues in association subsectors). These broad areas include the program components of association development, policy analysis and implementation, private sector extension services, agro-processing and marketing, credit facilitation, trade and procurement, monitoring and evaluation, and media and publications. Monthly reports to the USAID project manager contain more extensive and detailed information on KADP activities and progress.

Operations

With the completion of this quarter, the project marked the end of its second year with significant progress continuing in most areas. In preparation for the remaining six months of the project an amended 2002 workplan was submitted to and approved by USAID. During this quarter, staffing changes required to satisfy the objectives of the amended workplan were determined.

Highlights of Program Achievements

Consolidation of Trade Associations Accomplishments. As a result of assistance by KADP specialists in credit facilitation and import logistics for the EAR/ABU financed fertilizer import in autumn 2001, nine KODAA members succeeded in gaining finance and organizing the import of 15,000mt of spring fertilizer (10,000mt of NPK from Macedonia and 5,000mt of urea from Romania) without outside assistance.

A proposal for assistance in the purchase and import of bee treatment for LBK was preliminarily accepted by CIDA-backed CCSO. This project will allow KADP to train LBK representatives in the import logistics by conducting the import together with LBK staff and establish a revolving fund, which will enable LBK to conduct the import and treatment of bees annually thereafter.

On March 5th-8th AKA hosted a visit by a delegation of its Albanian sister organization KASH, which included two members of the Albanian Parliament. The delegation was introduced to the policy environment in Kosovo and introduced to agribusinessmen from the territory. In addition AKA and KASH signed a joint statement outlining an action plan for future work, including bringing together agribusinessmen in subsectors with trade potential and exchanging experience on border control advocacy initiatives.

Under the USAID Kosovo NGO Advocacy Project (KNAP), the AKA Executive Director received intensive training in the conduct of advocacy work, use of media, proposal writing and ethics. He was selected by KNAP trainers as one of two trainer-trainers to conduct training for other NGOs in Kosovo. A program of training in association advocacy work has also been initiated for association members.

Also in the area of policy analysis and advocacy, AKA established contact with the new Kosovar structures (Kosovo Assembly and MAFRD) in order to establish itself as the lead agricultural policy NGO. AKA also liaised with UNMIK reserved powers (KDRA) on developments in fiscal policy and privatization and developed a new advocacy campaign aiming at tightening the border control of often substandard imported inputs and food that undermine demand for bona fide Kosovar products.

By end May, four of the five member associations of the Alliance of Kosovo Agribusinesses (AKA) had paid their dues for 2002. SHPUK and KODAA held their annual general meetings and elections of officials and began collecting membership dues. The SHMK general meeting is scheduled for June 2002. Association meetings also featured numerous speakers including technology, agri-input and raw material producers and traders and policy and educational institutions from eight countries of the region.

Building Long-term Association Sustainability. Individual AKA member associations drafted initial activity plans for the 2002-3 year. A ToR was developed for STC Beaman to work in June with the associations to draft a full strategic plan for AKA culminating in its financial and professional sustainability.

A proposal was developed for the establishment of a fee for service agribusiness accounting capacity within AKA. The future AKA accountant began training in the new international accounting standards with USAID Kosovo Business Services (KBS) and will proceed to certification in the next quarter. A needs-assessment survey was also developed to ascertain the level of association member demand and their willingness to pay for accounting services.

During the quarter KADP and AKA staff worked together on additional measures to reduce costs and increase non-dues revenues for the associations. Successes in this area include the negotiation of a 36% reduction in filming and printing costs for the AKA newsletter and the signing of a contract with a local petrol station, under which in return for advertising in the newsletter the petrol station gives a EUR4 cents per liter discount to AKA association members and contributes EUR1.5 cents per liter to AKA.

Under the consolidation/expansion plan for AKA, a strategy was developed to expand the membership of the regional vegetable producers' association Anadrini into a Kosovo-wide organization. Three additional associations also applied for AKA membership. They were advised to ensure that they comply with the AKA member association criteria, while AKA considers the most important sectors to include.

Increased Production, Output and Revenues for Association Subsectors. During the quarter KADP staff assisted 39 AKA association members in the preparation of business plans and loan applications for business development investment. Since March 1st, 14 of these have been judged by the banks' credit committees and 11 have received approval for credit totaling EUR234,000

for investments in new technology and raw materials. This gives a success rating of 79% for KADP assisted credit applications by association members.

KADP staff have worked with two association members looking to develop their agro-processing activities. Association members and KADP staff developed full business plans for a new seed cleaning facility for a KODAA member and a poultry slaughterhouse for a SHPUK member. Pending approval of financing this will be first post-conflict poultry slaughterhouse in Kosovo, providing the domestic market with fresh chicken meat.

Two hundred on-farm demonstration plots were sown in 25 municipalities with KADP proven maize varieties as part of the joint KADP/MAFRD/KODAA project to promote best technology packages to the farming community. Of the 200 farmers selected for inclusion in the program, 20 were ethnic minorities – a representative sample based on the prevalence of minorities in the main maize producing areas of Kosovo. Seed, fertilizer and pesticides were distributed to farmers along with training and information brochures covering best practice in handling and use of the inputs. As a result of this activity, yields of maize are expected to increase by 15% on average across Kosovo, resulting in increased production and income for farmers, increased demand for KODAA supplied inputs and increased supplies of maize for the feed millers of SHPUK, reducing their dependence on costly imports.

Work has continued on the KADP field trials of 30 winter wheat varieties under varying seed and fertilizer rates. The most promising varieties of the 2000-1 season are being tested for a second year to ensure their viability in Kosovo conditions prior to promotion to farmers throughout Kosovo this autumn in conjunction with KODAA, MAFRD and the media.

Twelve maize varieties were sown during the quarter as part of the KADP field trial initiative in order to retest the best varieties from the 2001 season, try new varieties and check their response to differing levels of fertilizer application. Also for the first time in Kosovo, six varieties of vetch, seven of chickpea, six of lentil and 14 of soybean have been planted at KADP field trials in an attempt to test the viability of introducing new high-protein feed ingredients to the local market. Students from the Agricultural Faculty of the University of Pristina have been involved in the project's extension work to give them hands-on experience in conducting field trials.

KADP Project Activities in Support of Workplan Objectives

1a. Consolidation of Trade Association Accomplishments

Activity / Results Indicator	PY2 Q4	PY3 Q1	PY3 Q2	Quarter Achievements
1. Association Development and Management Training				
1.1 Monitoring & reporting on timely topics (wheat conditions, urea imports, planting progress)				<ul style="list-style-type: none"> Regular <i>Seasonal Reviews</i> in monthly reports provide updates on crop conditions, agri-input imports and sales and comment on agricultural progress. Weekly monitoring of agri-input and food prices published in AKA monthly newsletter. First in series of four surveys of main cereal crops conducted in May. Survey provided information on average levels of fertilizer and pesticide use on winter wheat crops and revealed improvements in fertilizer use (65% categorized 'average' or 'above average') but poor or no use of herbicides (60% categorized as 'below/well below' average). One additional winter wheat survey and two maize surveys planned this season in conjunction with MAFRD extension officials.
1.2 Preparation & conduct of overseas trade missions for association members				<ul style="list-style-type: none"> Relevant trade fairs to be held over next six months identified. Visits by association members to be organized on demand. In response to requests by SHPUK members, visit planned to poultry and livestock fair in Hanover, Germany in November 2002. SHPUK members will be required to fund their own expenses, while paying SHPUK/AKA for organization of travel, hotels and visas.
1.3 Arrange for presentation of relevant topics at regional & general meetings of associations				<ul style="list-style-type: none"> Presentations at KODAA Board Meeting (BM): <ul style="list-style-type: none"> Representatives of Greek greenhouse producer <i>Geothermiki</i> on latest greenhouse technology. Representatives of Kosovar small agri-machinery importer/producer <i>Haxhi-Jaha</i> from Rahovec on their production range. Ad hoc meeting of KODAA members called for presentation by seed and CPC multinational company <i>Syngenta</i> on the range of crop protection products available in the Balkans. Presentations at KODAA Annual General Meeting: <ul style="list-style-type: none"> Dean of Dimitris Perrotis Agricultural College, Thessaloniki on the programs offered by this hands-on agribusiness training facility drawing students from across the Balkans. Representatives of Croatian fertilizer producer <i>Petrochemia</i> on regional availability of advanced fertilizer technologies. MAFRD Director of Plant Production on new seed, fertilizer and CPC regulations. KODAA members contacted regarding the visit of Albanian fertilizer and CPC producer <i>Agroblend</i>, which was interested in establishing trade contacts in Kosovo. Ad hoc meeting of SHPUK members convened for presentation by Slovenian poultry feed equipment producer <i>Suntner</i>. Several SHPUK members interested in purchasing equipment. Training in NGO organization, advocacy and media relations provided to 11 members of AKA member association boards by AKA/KNAP trainer on May 22.
1.4 Inform association members & encourage participation in seminars of relevance to business interest				<ul style="list-style-type: none"> KODAA members trained in recommended KADP technology packages and pesticide handling and use by project extension team during distribution of inputs to 200 farmers. 26 KODAA members, local farmers and MAFRD officials attend KADP minimum tillage field day in May. AKA association members accompany KADP staff to weekly CFA/MFE/Riinvest seminars on economic policy issues. Three representatives of non-core KADP-supported associations (Anadrini, LBK & Bakers Association) included in three-day CIPE Montenegro association management training. SHMK, SHPUK and Anadrini food safety & quality control representatives included in KNAP/AKA mentoring visit to

				<ul style="list-style-type: none"> Albania to study their experience of advocacy on border control issues. Representatives of four AKA member associations attend the CIPE/Riinvest meeting to discuss the foundation of a coalition of business associations. Additional AKA staff and members attend working groups on statute and policy development. Association members receive brochures on maize technology, urea application and KADP winter wheat trials as inserts into April & May issues of AKA newsletter.
1.6 Conduct seminar(s) on commodity logistics & importation/handling				<ul style="list-style-type: none"> Nine member KODAA fertilizer consortium implement training received from KADP in autumn 2001 by organizing their own logistics for import of 10,000mt of NPK by rail from Veles, Macedonia and 5,000mt of urea by road from Romania. Project extension team provides training to KODAA members, MAFRD officials and farmers on handling and transportation of CPCs as part of their joint field demonstration program. LBK training in commodity logistics and import planned for next quarter in conjunction with the shipment of medication from Italy to Kosovo. Additional training for SHMK members delayed by rejection of offer made by Hungarian wheat trader due to uncompetitive price.
1.7 Reinforce Associations role through personal visits to members & identification of members' needs.				<ul style="list-style-type: none"> 76 KODAA, SHMK and SHPUK members visited and almost all members contacted by telephone during the quarter to discuss association developments and member needs. Primary member concerns are regarding the price of maize (SHPUK), wheat import tariffs and electricity costs (SHMK) and import duties and quality control implementation (KODAA). See below for AKA/KADP response to needs identified.
1.9 Development of AKA & trade association media kits				<ul style="list-style-type: none"> ToR drafted for STC Beaman, Executive Director of the Agricultural Association of Iowa, including development of association media kits and promotional materials for potential members. STC scheduled for June 2002.
2. Facilitation of Local and Regional Association Contacts				
2.1 Expand linkages with the USAID-sponsored American Farm School in Thessaloniki, Greece				<ul style="list-style-type: none"> Contact maintained with AFS after the KADP/KODAA visit to the school's facility in Thessaloniki in February. Visit to Kosovo for AFS Dean and Agricultural Marketing Professor organized in May. Visit included the following activities: <ul style="list-style-type: none"> Agricultural tour of Kosovo as introduction to the needs and condition of Kosovar agriculture; Interviews with five students interested in taking the agribusiness/production courses from autumn 2002 and shortlisted by KADP from nine identified by AKA association members; Presentation at KODAA AGM on the schools programs and facilities. Three students (one female) offered places on agribusiness course. These will be the first Kosovar students to attend the program, which involves students from all countries of the Balkans. KADP management drafted proposal for the establishment of a scholarship to assist students in financial need. Proposal forwarded to potential donors for consideration.

2.2 Host return visit of Albanian policy representatives (KASH) to Kosovo			<ul style="list-style-type: none"> • 14 representatives of the USAID/IFDC project AAATA in Albania and AKA's sister apex policy association KASH visited Kosovo on March 5-8. • KASH members represented seven of the sixteen subsector associations active in Albania as well as three members of the Albanian parliament. • The objectives of the visit were: <ul style="list-style-type: none"> - to concrete the relations between AKA and KASH initiated during the two AKA visits to Albania in autumn 2001, which culminated in the signing of an MoU between the groups; - to inform KASH representatives of the agribusiness and policy environment in Kosovo; - to introduce representatives of Albanian agribusiness associations to their Kosovar counterparts. • The three day visit included the following activities: <ul style="list-style-type: none"> - presentations of KADP, AKA and KASH activities, - presentations by USAID/KBS Kosovo and USAID/MBRC Macedonia, - discussions with MAFRD policy officials, deputies of the Kosovo Assembly and with the President of Kosovo, - joint AKA-KASH board meetings to identify areas for potential cooperation and trade promotion and the formation of a joint committee, - media event for the presentation of the workplan of the joint committee, - presentations by the USAID/KNAP project and the AKA advocacy trainer, - meetings with representatives of UNMIK reserved powers (Customs & KDRA). • The visit resulted in the signing of a declaration of joint work aimed at promoting trade, business and policy links between Albania and Kosovo. • AKA and KASH representatives worked in April and May on a number of initiatives identified during the visit, including: <ul style="list-style-type: none"> - identification of subsectors in which trade could feasibly promoted and businesses within them keen to develop trade links; [see section 2.3 below on Kosovo-Macedonia-Albania B2B] - joint work on policy developments regarding border monitoring of food safety and quality control; [see section 4.1 below] - research into the progress of the Pristina-Durres highway development; - discussions regarding the potential for the use of Albanian combine harvesters if the timing of the wheat harvest leaves southern Kosovo with a deficit of machinery. • AKA and KADP policy staff prepared a report covering the main activities and results of the visit.
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2.3 Establish business, data provision and policy contacts with partner institutions in regional states				<ul style="list-style-type: none"> In addition to the meetings with representatives of the Albanian agri-business community during the KASH visit detailed above, the following business contacts were established for association members during the quarter: <ul style="list-style-type: none"> Hungarian wheat trader. SHMK conducted considerable negotiations with the trader during March and April but eventually refused his offer on the grounds of price. Representative of <i>Syngenta</i> in Albania. As one of the largest seed and CPC producers in the world, the visit of the Albanian representative generated considerable interest among KODAA members. <i>Agroblend</i> in Albania. Although a newcomer to the fertilizer production market, <i>Agroblend</i> represents an expanding regional business with interest in expanding market share in Kosovo, which produces no fertilizer. <i>Petrochemia</i> in Croatia. <i>Petrochemia</i>, as one of the main producers of the former Yugoslavia, is a more established player in the regional fertilizer market, offering a variety of fertilizers tailored to regional crops and conditions. <i>Suntner</i> in Slovenia. The visit by the Slovenian poultry feed machinery producer has resulted in expressions of interest and ongoing negotiations by a number of SHPUK members. <i>Geothermiki</i> in Greece. Anadrini is currently developing a number of projects involving the use of modern greenhouse technology and therefore was keen to establish this contact. <i>Api Life</i> in Italy. This contact was established on the request of LBK management, having identified the Varoa Jacobsen mite and one of the prime obstacles to apiary development in Kosovo. The association plans to purchase sufficient medication to treat all beehives in Kosovo. The following association and agri-business policy development contacts were established by KADP/AKA during the quarter: <ul style="list-style-type: none"> Macedonia. KADP and AKA representatives established contact with USAID/MBRC, GTZ, MercyCorps and ACDI VOCA projects active in agribusiness in Macedonia. They are currently working together on a two-day agricultural policy event and agribusiness B2B between Macedonia and Kosovo to be held in Pristina in June. Albania. Building on contacts with USAID/KBS in Kosovo and USAID/IFDC in Albania, AKA is working with KASH to identify businesses for the agri-food side of a Macedonia-Albania-Kosovo B2B to be held in Tirana in July. Montenegro. As the result of ongoing coordination on association development with USAID/CIPE Kosovo, KADP arranged the involvement of three Kosovar agri-food associations in the CIPE Montenegro association management training, at which they proved among the most active participants. KADP management has also established contact with Land O'Lakes Montenegro. AKA contact with the American Farm School in Greece. It is anticipated that an ongoing relationship will be formed in which a number of association-selected students will be sent to the school every year. [see section 2.1 above].
3. Development of New and Ongoing Policy Initiatives				
3.1 Promotion of KADP developed technology packages and crop diversification				<ul style="list-style-type: none"> Official MAFRD acceptance of the KADP wheat and maize 'best technology' packages for Kosovar conditions received in February 2002. Agreement reached between MAFRD and KADP on the roll-out of the packages to 200 farms across Kosovo. [see section 2.5 below for the progress of the demonstration work] The stated objectives of the KADP/MAFRD/KODAA on-farm demonstrations are as follows: <ul style="list-style-type: none"> Promote the widespread adoption by farmers of previously-obtained experimental results; [by KADP] Test for soil and agro-ecological zone variability across various municipalities. [by MAFRD] Regular contact maintained with representatives of the MAFRD Department for Rural Development and Statistics, responsible for field demonstration work. Contact include monthly management coordination meetings and scheduled field visits by MAFRD and KADP extension staff to provide training, distribute inputs and survey crop development.
3.2 Coordinate with MAFRD development of CPC, seed and fertilizer regulations				<ul style="list-style-type: none"> Draft CPC regulations received from MAFRD CPC STC in PY2Q3. Regulations analyzed by KADP and AKA staff during the quarter. A draft response with suggestions for additions and amendments initiated. AKA and KODAA represented on Kosovar National Seed Committee, providing regular input on seed policy. KADP management liaised closely with EAR Seed Regulatory Services Project on developments in their new framework for seed import and production. Seed regulatory specialist invited to present the practical implications of the new regulations at a

				<p>KODAA board meeting in June.</p> <ul style="list-style-type: none"> • KADP and AKA awaiting drafts of new seed regulation prior to submitting position paper. • Discussions initiated with EAR for potential use of KADP/AKA extension team, given its experience after two years of work on test plots, to conduct seed varieties for the official seed list of Kosovo. • IFDC STC David Rutland fertilizer regulation and report approved by FAO and distributed to MAFRD and other interested parties during May. Analysis of regulation and report by KADP/AKA specialists ongoing, prior to the development of a response.
3.3 Follow developments in fields of commercialization / privatization and fiscal reform, providing input as openings emerge				<ul style="list-style-type: none"> • KADP Policy Adviser attended World Bank / USAID Regional Workshop on Land Issues with representatives from 25 countries in Budapest in April. • The KADP representative established contact with a number of leading economists and researchers and agreed to examine the phenomenon of 'social' ownership of land, unique to the former Yugoslavia. • AKA and KADP policy team receive copies of the draft KTA regulation circulated for comment by UNMIK. Analysis of regulation ongoing. • Meeting held with UNMIK reserved powers in agriculture, KDRA for update on commercialization/privatization developments relating to state and socially owned agricultural assets. The following information was ascertained: <ul style="list-style-type: none"> - KTA regulation currently under negotiation and unlikely to be approved in near future; - KTA regulation does not affect agricultural land, for which an additional regulation has been drafted but will not be submitted until KTA is established; - Efforts to commercialize land and related assets will be limited to responses to requests by interested investors, given the lack of resources within KDRA; - UNMIK will continue to allow the informal system of commercialization through leasing by existing SOE management as it allows at least some state and socially owned land to return to production. • AKA agrees to assist investors interested in association subsectors in applications for commercialization. Dutch investor identified with interest in poultry venture and supplied with information on potential facilities for investment. Site visits planned for June. If interest is maintained AKA will assist in application to UNMIK for commercialization contract. • In follow up to joint Riinvest-KADP activity in gathering information on agricultural SOEs, KADP invited to present on privatization of agricultural land at the Riinvest Conference on Privatization, scheduled for June. • Fiscal reform, particularly of border taxes on agricultural inputs, maize and wheat remains a high priority for KADP-supported associations. • KADP/AKA advocacy during 2001 resulted in agreement from CFA and the World Bank to consideration of a reduction of customs duties on imports in June 2002. KADP/AKA policy specialists maintained contact with CFA officials to track developments regarding this initiative. • Additional liaison with CFA and World Bank ongoing on the following issues: <ul style="list-style-type: none"> - the potential for Kosovo to sign FTAs with neighboring states independently of Belgrade; - developments in the rehabilitation of the Pristina-Durres road link; - the failure of Macedonia to honor the Yugoslavia-Macedonia FTA for imports from Kosovo; - the failure of Kosovar customs officials to recognize the exemption from customs duties for fertilizer imports.
3.4 Other, as identified by AKA board and agreed by KADP/USAID				<ul style="list-style-type: none"> • AKA board identifies additional policy issue in the poor monitoring of food safety and quality control at the Kosovar borders, leading to the import of substandard and mislabeled inputs, flour, eggs and other produce. • AKA Executive Director identifies funding for a research and advocacy project on the issue under the USAID/KNAP 'Advocacy in Action' grant. [see section 4.1 below] • AKA arranges a series of meetings with representatives of the UNMIK KDRA responsible for phytosanitary and veterinary border control to assess the current situation and outlook. KDRA officials are currently working to establish checks on the boundary with Serbia and hope in the future to establish EU standards for imports into Kosovo. • AKA organizes research visit to KASH in Albania in order to learn from the experience of KASH in advocating for reform of food safety and quality control legislation and monitoring.

4. Association Policy/Advocacy Training				
4.1 Attend USAID/KNAP training and proceed with training of AKA representatives on KNAP completion				<ul style="list-style-type: none"> • AKA Executive Director selected for inclusion in the KNAP trainer-training program attends all KNAP training programs and initiates training of AKA representatives as enumerated below. • Three-day seminar on corruption in Kosovo and the region. • Preparation of mock advocacy campaign in conjunction with other NGOs involved in the training program. • KNAP and AKA trainers presented the KNAP program and its main areas of work during the KASH visit to Pristina in March. [see section 2.2 above] • Four-day seminar on communications, use of media in advocacy, public speaking, identifying target audiences, etc. • On basis of participation to date AKA representative selected as one of two trainers to conduct a two-day advocacy-training seminar for 26 Kosovar NGOs. • Submission of proposal for KNAP Mentoring Grant to Albania to allow AKA to cement relations with its sister organization KASH and draw from its experience of policy work and advocacy particularly in the area of food safety and quality control of agricultural and food imports. EUR2,300 granted by KNAP grant provider FDI for mentoring visit (scheduled to take place in early June). • One-day seminar on proposal writing prior to submission of Advocacy in Action Grant proposal below. • Seminar on freedom of information in Kosovo with speakers from US Democratic Institute, UNMIK and USAID. • Draft of proposal for KNAP Advocacy in Action Grant to allow AKA to analyze the situation, develop a policy position and advocate for improvement to current border control legislation and/or its implementation. Grant would allow up to EUR10,000 for a one-year project. Initial research conducted with KDRA in Kosovo [see section 3.4 above] planned with KASH in Albania for June 2002. • Additional implementation of trainer-training skills in organization of a seminar for 11 board members of KODAA, SHMK and SHPUK on the role of NGOs, advocacy and media relations. A more in-depth seminar for AKA board members and members of the KADP policy and media teams planned for June.
4.2 Organize agricultural policy study tour to a regional state				<ul style="list-style-type: none"> • Policy study tour to Albania planned under KNAP Mentoring Grant for June 2002. [see section 4.1 above] • Additional study tour to the northern Balkans for insight into the public-private relationship in more advanced former socialist states planned for PY3Q2.
4.3 Organize training in ramifications of South East European Stability Pact on agribusiness in Kosovo				<ul style="list-style-type: none"> • South East European Stability Pact representatives contacted and information requested. • Suitable regional representative to provide training to be identified. • Training planned for PY3Q1.
4.4 Coordinate in training initiatives of other governmental and NGO organizations				<ul style="list-style-type: none"> • KADP staff and association representatives attend training held by other organizations in the following policy and business issues during the quarter: <ul style="list-style-type: none"> - 7 USAID/KNAP organized NGO advocacy trainer-training sessions; [see section 4.1 above] - 5 MFE-CFA-USAID/Riinvest seminars on policy issues ranging from privatization to macroeconomic policy and the Kosovar budget; - 1 USAID/Riinvest conference on Local Economic Development; - 1 two-day USAID Environmental Assessment, Monitoring and Mitigation course; - 1 four-day USAID/CIPE Montenegro Association Management Course; - 12 USAID/KBS business management and planning sessions. • Individual staff and association representative reports on the above training events available on request.
5. Development of Agribusiness Information System				<ul style="list-style-type: none"> • KADP agricultural input and food (64 commodities) price data from 8 municipalities (three outlets in each) monitored on a weekly basis and data compiled for use in market research and policy analysis. • KADP/AKA contact database updated monthly. At end June the database included over 540 agribusiness contacts from over 230 organizations in over 30 countries.

				<ul style="list-style-type: none"> • Initial meetings held by KADP and AKA data analysts with departments of trade, agriculture and price statistics at the Statistical Office of Kosovo (SOK). • Report containing 2001 import data received from SOK for incorporation into KADP/AKA information system. • Price data for agricultural inputs and food, previously collected by FAO and recently transferred to SOK, updated from start year. • Agricultural data report for 2001 pending completion by SOK/MAFRD. • Contact established with CFA macroeconomic monitoring team in order to receive regular macroeconomic data. • Assistance provided to MAFRD database technicians on agricultural machinery repair and replacement data.
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1b. Building Long-term Association Sustainability

Activity / Results Indicator	PY2 Q4	PY3 Q1	PY3 Q2	Quarter Achievements
1. Building Capacity in Provision of Fee-earning Services				
1.1 Develop AKA Business/Strategic Plan				<ul style="list-style-type: none"> Activity plans for 2002-3 drafted for KODAA, SHMK and SHPUK. ToR prepared for Association Sustainability STC scheduled for June 2002. STC Beaman, Executive Director of the Agribusiness Association of Iowa, will assist AKA and member association executive directors in preparing strategic plans identifying realistic goals for structural and financial sustainability.
1.2 Utilize in-house expertise and collaborate with KBS to provide & promote business training seminars to associations				<ul style="list-style-type: none"> KADP and AKA representatives attend 27 training seminars conducted by USAID/KBS and other international organizations during the quarter. [see section 4.4 of 1a above for details] Training of USAID/CARE representative on the establishment of a dairy association provided by AKA representative. Logistics and chemical handling training for KODAA and LBK members provided. [see section 1.6 of 1a above for details] Marketing training planned for Anadrini in conjunction with MercyCorps for PY3Q2. Accounting training with USAID/KBS initiated by AKA accounting representative. Further training to gain certification for AKA accounting capacity planned for PY3Q1-2.
1.3 Provide financial counseling for clients				<ul style="list-style-type: none"> KADP and AKA representatives assisted 39 association members in applying for loans at ABU and ABK/KBFF. Of these, 11 members received loan approvals and 11 are currently in process. [see section 1.3 of 2 below for details] AKA business planning specialists completed two business plans for seed cleaning equipment and a poultry slaughtering facility with KODAA and SHPUK members respectively. Explained the business planning process to ten farmers and municipality officials in the Vitia municipality.
1.4 Develop and implement fee-based accounting services (record-keeping, accounting analysis, tax preparation, etc.) for Association members				<ul style="list-style-type: none"> Proposal for the establishment of an agribusiness accounting capacity for AKA drafted, including a needs assessment questionnaire to gauge the potential demand for accounting services from association members. Draft submitted to IFDC Hdqtr. for comments and input. Initial survey to be conducted in June/July prior to initiation of a bookkeeping service. Future AKA accounting service provider began training in Kosovo Accounting Standards with KBS in mid-May. The course will be completed in July 2002. World Bank training for certification in the Society of Chartered Accountants of Kosovo expected in August, leading to certification. AKA accounting capacity planned for full engagement by end 2002 and the introduction of the new profits tax.
1.5 Increase distribution/availability of newsletters to members with more advertising.				<ul style="list-style-type: none"> Increased number of newsletters to 1000 copies and increased distribution to include related organizations like EAR, ABU, ABK, and other NGO's. Up to four paid advertisements listed in newsletter – average income/month for 2002ytd, with backlog of interested members. 36% reduction in printing costs of newsletter achieved through using different companies to film and print the publication. With a new filming and printing cost of EUR280 and average advertising revenues of EUR75, the newsletter is now 27% sustainable (excluding current KADP staff input costs). The potential for increasing advertising revenues and charging for the newsletter could make this an important asset for AKA in the future. Inserts included in newsletter in April and May covering areas of additional interest including information on the following issues: <ul style="list-style-type: none"> best practice for maize planting and input use (in time for spring planting); location and layout of the now well-advanced KADP winter wheat trial plots;

				<ul style="list-style-type: none"> - special fuel deal exclusively for AKA members at local petrol station; - explanation of activities of project credit facilitation and business planning unit in order to attract more interest from association members. • Mailshot of 30 copies of June newsletter planned to assess feasibility of mailing newsletter to association members to facilitate distribution. • Assessment of mailshot success will determine a biweekly information bulletin for association members detailing upcoming events of potential interest to association members. • Consideration underway of potential for merging newsletter with initiatives by MAFRD and the cooperative movement's information teams in order to bolster circulation and image and cover costs.
2. AKA Consolidation/Expansion				
2.1 Develop consolidation/expansion strategy for AKA				<ul style="list-style-type: none"> • Consolidation/expansion plan for AKA includes the following principal areas of activity: <ul style="list-style-type: none"> - Review of member association statutes and election structures to ensure validity of representative organs; - Preparation of strategic/business plan for AKA including consolidation of existing member association staffing and provision of fee-earning services; [see section 1.1 above] - Establishment of a Kosovo-wide vegetable producers' association on the basis of Anadrini; [see section 2.2 below] - Expansion of AKA membership to include at least one additional member association; [see section 2.3 below] - Provision of training and materials to non-AKA associations until such a time as they are ready for membership. [see section 2.3 below] • Additional areas of association development include the establishment of specialized seed and fertilizer committees within KODAA for the main seed producers and fertilizer importers respectively.
2.2 Creation of Kosovo-wide vegetable producers association on basis of Anadrini				<ul style="list-style-type: none"> • Expansion of Drini valley vegetable producers' association Anadrini in Kosovo-wide association agreed at May session of the AKA Board of Directors. • Two subsequent meetings with Anadrini representatives resulted in an expansion workplan for the vegetable producers' association, as follows: <ul style="list-style-type: none"> - Establishment of one regional association per month in June-October, prior to foundation of apex Kosovar association in November; - Regional associations to be based on municipal and village coordinators (agricultural officials) responsible for identification of potential members; • Contact established with coordinators in municipalities of first region, comprising the Shtimje, Lipjan and Ferizaj. • Association materials (promotional, structure and statutes) under preparation.
2.3 Admission of additional complementary Kosovo-wide associations into AKA				<ul style="list-style-type: none"> • Admission of additional complementary Kosovo-wide associations into AKA discussed with AKA board members. The following have been initially identified as potential future members of AKA: <ul style="list-style-type: none"> - Machinery Association. A number of regional machinery rings (sponsored by Danish People's Aid) have approached AKA, expressing an interest in forming a Kosovo-wide association. - Dairy Association. Through coordination with the USAID/CARE, SDC and MAFRD, a number of dairy producers and processors have already been identified as potential members of a Kosovo dairy association. - Bakers Association. This association, still not fully formed, requested AKA membership in early 2002. AKA has decided to assist the association through training and provision of materials but to defer membership until the association has been formally established and shown full understanding of the principles of business associations. • The formal inclusion of a sixth AKA member association is anticipated in PY3Q2.
2.4 Develop and submit funding proposals / business plans for AKA and member associations to ensure financial sustainability				<ul style="list-style-type: none"> • Proposal drafted in conjunction with the League of Kosovo Beekeepers for assistance in the purchase of treatment against the Varoa Jacobsen mite, identified by LBK as the major obstacle to the development of beekeeping in Kosovo. • LBK proposal submitted to the CIDA-CCSO project envisages the donation of EUR55,000 to cover the purchase and import of enough treatment for all 28,000 hives in Kosovo. Beekeepers would be required to pay for the treatment and the funds recycled to ensure treatment in the future.

				<ul style="list-style-type: none"> • LDK had already applied several times to MAFRD for a subsidy for the import but to no avail. • Proposal approved by all CCSO representatives in Kosovo and submitted to CIDA head office for final approval. • Proposal received from Anadrini for assistance in the establishment of greenhouses to test new horticultural technologies in Kosovo. • Proposal presented to CCSO-CIDA by AKA but rejected on basis of long-term nature of the project. • Proposal received from Anadrini for assistance in the conduct of soil testing of horticultural lands in the Drini valley in order to identify nutrient requirements. • KADP extension specialists analyze proposal and make suggestions for amendments to facilitate implementation of the project and make it more cost-effective. • Suggestions forwarded to IFDC headquarters for approval prior to further work with Anadrini and other potential supporters. • Association sustainability STC Beaman scheduled to work on association business plans in June 2002. [see section 1.1 above]
3. Establishment of Relations with New Governmental Structures				
3.1 Research on party / professional breakdown of Kosovar Assembly				<ul style="list-style-type: none"> • Research conducted on party and professional background of deputies elected to the Kosovo Assembly in November 2001. Results include the following: <ul style="list-style-type: none"> - Although 14 parties are represented in the assembly, only four won over 5% of the vote: LDK (46.3%), PDK (25.5%), Povratak (11%) and AAK (7.8%). - Some form of coalition will be necessary as no party has an outright majority. This was born out by the acceptance of an LDK President (Rugova) and a PDK Prime Minister (Rexhepi). - The following compromise was reached in dividing the 10 ministries: LDK (4), PDK (2), Povratak (1), AAK (2). - Only two deputies were identified as having agricultural backgrounds; - The Ministry of Agriculture was the only ministerial portfolio reserved for the Serbian minority, and as a result by end June a Minister had still not been appointed, although Goran Bogdanovic had been selected by Povratak and approved by the Belgrade authorities. - The Parliamentary Committee for Agriculture was formed under LDK agronomist Tome Hajdari. Eleven members were selected out of a total requirement of 16. • Research ongoing on the backgrounds of the likely candidates for the ministerial and permanent secretary posts and the members of the Parliamentary Committee for Agriculture.
3.2 Present AKA to new Kosovar decision makers				<ul style="list-style-type: none"> • Meetings organized for AKA Board of Directors with the future Chairman of the Parliamentary Committee for Agriculture and LDK, AAK and PDK agricultural representatives. Ideas and information exchanged including the AKA press kit and resolution passed prior to the elections of November 2001. • Regular meetings held with representatives of the new MAFRD, including its Policy Unit, Department for Rural Development and Statistics and Department for Plant Production and Protection. • KADP extension team collaborated closely with MAFRD Rural Development Unit throughout the quarter, according to agreement under which MAFRD uses KADP tested technology and training to implement best technology demonstrations of maize on 200 farms in 25 of the 30 Kosovar municipalities. • Presentations of project activity and training provided to agricultural representatives of elected municipal authorities in conjunction with project extension work. • Additional presentations planned for MFE, MAFRD and Parliamentary Committees planned for June.
3.3 Organize visit by representatives of Albanian Parliamentary Committee for Agriculture				<ul style="list-style-type: none"> • Three Albanian members of Parliament attended the KASH visit to Pristina in March. These held meetings with the President of Kosovo, future Chairman of the Parliamentary Committee for Agriculture and LDK, AAK and PDK agricultural representatives. • Discussions centered on increased cooperation between the territories on agricultural and economic issues. • Additional contact between Albanian and Kosovar parliamentary committees for agriculture planned for the next quarter.
3.4 Establish / Maintain contact with representatives of				<ul style="list-style-type: none"> • Contact established with new UNMIK Reserved Powers in Agriculture the Kosovo Directorate of Rural Affairs (KDRA),

powers reserved to the UNMIK SRSG				<p>responsible for state and socially owned enterprises and border controls. KDRA agreed to work with AKA on its initiative to improve the level control of input and food quality on Kosovo's borders and boundaries.</p> <ul style="list-style-type: none"> • KDRA also keeping KADP/AKA informed of developments in commercialization and privatization of state and socially owned agricultural enterprises. • Contact maintained with UNMIK's CFA and Customs service for information on developments in fiscal policy and its implementation.

2. Increased Production, Output and Revenues in Association Subsectors

Activity / Results Indicator	PY2 Q4	PY3 Q1	PY3 Q2	
1. Increased Access of Association Members to Credit				
1.1 Revise business plans (BP) preparation and enforce usage in conjunction with USAID/KBS. Require more member participation in development				<ul style="list-style-type: none"> In conjunction with AKA/KADP staff, KODAA and SHPUK members developed business plans for seed cleaning and slaughterhouse facilities. <ul style="list-style-type: none"> Members used business plans to apply for loans from ABK and ABU, respectively. Seed cleaning business plan and loan application approved by ABK/KBFF. Slaughterhouse business plan and loan application still pending approval by EAR/ABU. Association members actively involved in gathering data and compilation of their business plans and loan applications.
1.2 Prepare 30 BP's by project end for interested association members in conjunction with USAID/KBS				<ul style="list-style-type: none"> Completed two full business plans for seed cleaning equipment and a poultry slaughtering facility. [see section 1.1 above] Assisted 37 association members in developing business development proposals and applying for loans with ABK/KBFF.
1.3 Assist qualified clients in obtaining loans/credit with 75% success rate & provide monitoring of new loans				<ul style="list-style-type: none"> Assisted 39 AKA association members involved in loan application process at EAR/ABU (1) and ABK/KBFF (38). <ul style="list-style-type: none"> 10 members (4 KODAA, 4 SHPUK, 2 SHMK) still developing loan applications; 11 members (5 KODAA, 4 SHPUK, 2 SHMK) have applied and are awaiting approval by the ABK (10) and ABU (1) credit committees; 11 members (2 KODAA, 5 SHMK, 4 SHPUK) received loan approvals for their loan applications at ABK/KBFF; 3 members (2 SHPUK, 1 SHMK) had their applications rejected by the ABK credit committee. 4 members (4 SHPUK) withdrew their applications after submission to ABK but before a decision by the credit committee. Success rating of 11 out of 14 or 79% (KODAA 100%, SHMK 83%, SHPUK 67%) for applications judged by ABU and ABK credit committees during the quarter. The 11 approved loans allowed EUR234,000 of credit for investment by association members (KODAA EUR32,000, SHMK EUR99,000, SHPUK EUR103,000). <ul style="list-style-type: none"> SHMK members focused on milling equipment and raw material purchase; KODAA members to invest in greenhouses and a veal farm; SHPUK members poultry equipment, chickens, feed and incubators. All 11 loans gained during the quarter have been meeting repayments according to schedule. In addition, seven of the nine-strong KODAA fertilizer consortium assisted in applying for credit from ABU during autumn 2001, succeeded in gaining EUR3.2m in additional credit during the quarter for the import of 15,000mt of fertilizer for the spring season. Repayments on these second fertilizer loans have been made as scheduled.
1.4 Approach KBFF with more business plans				<ul style="list-style-type: none"> Assisted 38 members in applying for loans at ABK/KBFF as ABK/KBFF begin focusing more on the agricultural sector. [see section 1.3 above for details]
1.5 Investigate possibility of assisting small clients to receive loans through FINCA				<ul style="list-style-type: none"> Loan activity during the quarter focused on ABK given their increased interest in the agricultural sector and the more applicable loan size offered. Opportunities with FINCA to be more fully explored during PY3Q1.
1.6 Monitor existing loan repayments to ABU & CORDAID, new repayments & establish payment of service fees for assistance				<ul style="list-style-type: none"> Two SHMK members with credit outstanding from CIDA/CCSO revolving fund repaying loans according to schedule. Once loans are repaid, EUR80,000 fund will again be available for SHMK member credit, to be decided by the SHMK board of directors. Monitoring of SHMK loans conducted by SHMK staff and association members. KODAA member who gained credit from ABK/KBFF for fertilizer import in autumn 2001 repaid loan as scheduled. Seven of the ten KODAA members who gained credit from EAR/ABU for fertilizer import in autumn 2001 repaid their loans

				<p>as scheduled. All of these were in the nine-strong KODAA import consortium. Remaining two consortium members are negotiating a return of unsold fertilizer in order to repay outstanding credit. Remaining debtor likely to be subjected to legal proceedings, although KADP/KODAA mediation planned for PY3Q1.</p> <ul style="list-style-type: none"> • Of the 12 KODAA members who gained credit from CORDAID during autumn 2000, seven have now repaid in full. The remaining five have been expelled from KODAA and are currently facing court proceedings. • Of the 13 SHPUK members who gained credit from CORDAID during autumn 2000, all have made some payments. Only 38% of the total borrowed, however, has been recouped by CORDAID, leaving all debtors in default and subject to legal proceedings.
2. Increased Production, Output and Revenues for Association Members				
2.1 Conduct on-farm winter wheat trials				<ul style="list-style-type: none"> • 30 winter wheat varieties tested in 2001-2 season. Five of these are the best performing varieties from the 2000-1 trials and 25 are new varieties, being sown for the first time in Kosovo. • In addition trials are being conducted on the highest yielding 2000-1 varieties, with differing rates of seed (150-400kg/ha) and fertilizer (DAP, MAP, NPK with urea and KAN), in order to identify the optimum amount of inputs required for Kosovo conditions. • Winter wheat sown and basal fertilizer applied at two sites representing the differing climatic zones of Kosovo (one on the Fushe Kosovo plain and one on the Dukagjini plain) in PY2Q2. • First fertilizer topdressing (100kg/ha urea) purchased from local KODAA sources and applied by KADP specialists in March. • Second fertilizer topdressing (100kg/ha urea) applied in May. • Herbicide (20g/ha Granstar) applied in April-May. Given lack of herbicide applied by local farmers, special report included in April AKA newsletter on best practices in herbicide use. • Phenological data on germination, tillering, growth and flowering collected to provide a complete post-harvest assessment of the trials. • Field days planned in each region for June 2002.
2.2 Analyze and disseminate results of technology packages				<ul style="list-style-type: none"> • Results of 2000-1 packages analyzed and disseminated in PY2Q2-3. • Results of 2001-2 packages will be available for analysis and dissemination in PY3Q1-2.
2.3 Conduct on farm trials (maize, forages, soybeans, spring wheat)				<ul style="list-style-type: none"> • 12 maize hybrids planted at on-farm sites in the two climatic zones of Kosovo in May. Basal fertilizer (200kg/ha DAP) applied simultaneously. Herbicide (1.5l/ha Monosan Herby) applied in early June and first fertilizer topdressing (100kg/ha urea) applied in May. • A second maize trial will examine the impact of a variety of levels of fertilizer application to early and late maize varieties. • 6 varieties of vetch, 7 of chickpea, 6 of lentil and 14 of soybean planted in on-farm trial sites in the two climatic zones of Kosovo in late April and early May. Basal fertilizer (200kg/ha DAP) applied simultaneously. Herbicide (80ml/ha Pursuit) applied in May. • 8 spring wheat varieties received from the Institute of Field and Vegetable Crops, Novy Sad FRY and planted in on farm trial sites in the two climatic zones of Kosovo in March by KADP extension specialists. Basal fertilizer (150kg/ha DAP) applied simultaneously. Herbicide (20g/ha Granstar) and first fertilizer topdressing (100kg/ha urea) applied in May. • Six students of the Agricultural Faculty of the University of Pristina invited to view the sowing of the maize trial plots. Two then selected to follow the progress of the maize and forage crop trials and gather data for use in their studies and for presentation to the KADP project and faculty management. • Field days for maize, forage crops and spring wheat planned for PY3Q1 once the crops are sufficiently developed.
2.4 Conduct and report on surveys (assessment of entrepreneurs, marketing and technical skills, assessment of agri-input sales)				<ul style="list-style-type: none"> • See section 1.1 under 1a above. • See section 2.16 below.
2.5 Establish collaborative extension activities with 'implementing partners' (set up at least 150 demonstrations)				<ul style="list-style-type: none"> • Agreement reached by IFDC-KADP and its implementing partners, MAFRD and KODAA, in PY2Q3. Agreement delineates responsibilities, timeframe and distribution of 200 farmers (including 24 minority farmers), with whom to work in

on best technology packages for maize)				<ul style="list-style-type: none"> demonstrating KADP proven best technology packages in maize. Training of MAFRD municipal and regional representatives and KODAA dealers conducted by KADP specialists in March. Training covered the following topics: <ul style="list-style-type: none"> identification of suitable farmers with whom to work on the demonstrations (the 'early adopters'), identification of suitable demonstration sites, new technology packages (input combinations and application), input transport and handling. Seed (six varieties at 25kg/ha) and basal fertilizer (DAP 200kg/ha) purchased from KODAA dealers and distributed to farmers through MAFRD municipal and regional officers in April in conjunction with additional training in application techniques. Farmers signed contracts covering their responsibilities in relation to the demonstrations. Information brochures were produced and distributed to each farmer covering the features of each of the maize hybrids used. Fertilizer topdressing (50kg/ha urea) and herbicide (330ml/ha Monosan Herby) purchased from KODAA dealers and distributed to farmers at eight sites across Kosovo in May. Training was conducted on correct application techniques and safe handling. All farmers received brochures outlining the safest and most effective application methods for the two inputs. Six farms visited during May to check progress and attention to contractual obligations. Draft reporting format for MAFRD municipal officers submitted to MAFRD to ensure that the demonstrations are monitored over the season. Building on field demonstration initiative with MAFRD, KADP management coordinating with USAID, MAFRD, EAR and SRSP on potential involvement by project extension team in the official seed variety trials to be initiated under the recently developed seed regulations for Kosovo.
2.6 Organize field days on wheat, maize, legume and forage crops				<ul style="list-style-type: none"> Two KADP field days for winter and spring wheat scheduled for June 2002. Two KADP field days for maize, legume and forage crops scheduled for July 2002. Five KADP/MAFRD/KODAA field days for maize scheduled for July 2002.
2.7 Set up at least 150 demonstrations on wheat 'best practices'				<ul style="list-style-type: none"> Preliminary discussions with implementing partners MAFRD and KODAA held to identify 'lessons learnt' from maize on-farm field demonstrations. Logistical and contractual refinements planned for winter and spring wheat demonstrations. Wheat varieties to be selected on the basis of the results of the second year of KADP wheat trials in PY3Q1, prior to planting in PY3Q2.
2.8 Organize training seminars on crop protection chemicals, in cooperation with manufacturer (eg. 'Syngenta') and on maize technology with seed breeders (eg. 'Pioneer')				<ul style="list-style-type: none"> Training of MAFRD municipal and regional representatives and KODAA dealers in input transport and handling conducted by KADP specialists in March. [see section 2.5 above for details] Presentation by seed and CPC multinational company <i>Syngenta</i> to KODAA members and project staff on the range of crop protection products available in the Balkans in April. Presentation covered in April issue of AKA newsletter. Session on agricultural chemical application held for KADP extension specialists in April, covering international standards for the disposal and cleaning of chemicals and equipment. A checklist for operators was also prepared. Training of MAFRD municipal and regional representatives, KODAA dealers and participating farmers at five locations across Kosovo in the planting of maize varieties and application of DAP in April. All farmers received information outlining the most effective application methods for the seed and fertilizer. Training of MAFRD municipal and regional representatives, KODAA dealers and participating farmers at eight locations across Kosovo in correct application techniques and safe handling of urea and Monosan Herby in May. All farmers received brochures outlining the safest and most effective application methods for the two inputs. Soybean minimum tillage field day held in May for 26 KODAA and MAFRD representatives and farmers. Participants were informed of the relative merit of the technique on large farms with access to machinery and chemicals and were invited to inspect the soybeans, evaluate the effectiveness of glyphosate on the weeds and determine the crop condition. There were several examples of varied application rates, with opportunities for different rescue treatments of herbicides. Checklists developed by project staff involved in credit and procurement and extension work to ensure that any potential project activity involving pesticide use is conducted according to the KADP Initial Environmental Evaluation and US Regulation 216.

2.9 Conduct poultry demonstrations (revised feed, laying hens management) and disseminate the results				<ul style="list-style-type: none"> Experiment to test the quality and profitability of feed from a variety of sources discussed with SHPUK management. Two production lines will be identified and fed with different feeds under the same management to identify the best feed formulation on the Kosovar market. SHPUK members encouraged to involve local suppliers in KADP/MAFRD/KODAA field demonstrations of best technology packages for maize. SHPUK members supplied with lists of demonstration farms in their regions in order to promote improved practices and increase local production of maize (considered to be of better quality and cheaper than imported produce). See also section 2.13 below.
2.10 Conduct flour-milling demonstrations (milling technology vs. flour quality)				<ul style="list-style-type: none"> Workplan developed for local expert to flour quality experiment to identify the optimum combination of milling technology and wheat varieties available on the local market. Meeting held with representatives of Kosovo Electrics Company (KEK) and materials received on best methods of avoiding excessive charges from the 'maxigraph' electricity payments system. Materials translated and distributed to SHMK members. Seminar on optimizing electricity use by millers planned for PY3Q1.
2.11 Investigate interest of SHMK members in bulk purchase of wheat				<ul style="list-style-type: none"> Hungarian wheat trader identified in PY2Q3. SHMK members interested in bulk purchase of wheat but Hungarian offer was not price competitive. Serbian wheat was competitive, but members preferred to continue buying individually for political reasons. SHMK members to be involved in all KADP winter and spring wheat field days and IFDC/MAFRD/KODAA on-farm demonstrations to promote best technology packages aimed at increasing local production of wheat to reduce dependence on costly imports.
2.12 Prepare and submit proposal to Canadian Co-operation Support Office for funding demonstration greenhouse(s) in Kosovo				<ul style="list-style-type: none"> Proposal received from Anadrini for assistance in the establishment of a series of 500sqm greenhouses as to demonstrate new horticultural technologies in Kosovo. Proposal presented to CCSO-CIDA by AKA but rejected on basis of long-term nature of the project. Proposal forwarded to GOAL-Ireland for further consideration.
2.13 Poultry ration formulation STC (Swick) & Poultry Management and Diseases STC (Piu)				<ul style="list-style-type: none"> Poultry ration formulation and management and disease STCs rescheduled for PY3Q2, given cost savings related to itinerary of Singapore-based consultant.
2.14 Identify bee medicine importers				<ul style="list-style-type: none"> Producers of Varoa Jacobsen mite treatment identified in Yugoslavia, Germany and Italy in response to request for assistance in import by AKA member association the League of Kosovo Beekeepers. [see section 2.4 of 1b above] Italian product <i>Apilife</i> selected for import given its superior performance in tests conducted by researchers and its environmentally neutral composition. Proposal for funding approved by all CCSO representatives in Kosovo and submitted to CIDA head office for final approval. Import will be managed by AKA staff for a fee on a similar basis as the 0.3% charged for import logistics on the 2001 KODAA fertilizer import.
2.15 Assist SHPUK members to participate in purchase of USDA-sponsored Food For Progress commodities imported by MercyCorps				<ul style="list-style-type: none"> Twelve SHPUK members submitted a joint bid for part of the 3,000mt of USDA FFP maize, but their bids were too low. Bids by individual SHPUK and KODAA members were accepted, each purchasing 1,500mt of maize for on-sale to feed millers. Eleven SHPUK members purchased 500mt of the 3,000mt of USDA FFP soybean meal. Project coordination meeting with MercyCorps representatives revealed that only three quarters of the soybean meal has been imported to date and only one quarter sold. It appears likely that the current sale price of EUR2.92/mt will fall if demand remains low, perhaps encouraging renewed interest from SHPUK members.
2.16 Design & conduct surveys in coordination with project extension requirements				<ul style="list-style-type: none"> Survey conducted in April of the opinion of 55 association members and agribusinessmen regarding the impact of KADP extension activities on their technical and business skills. Survey results included the following: <ul style="list-style-type: none"> 74% of KODAA members surveyed said that as a result of KADP training, they are now able to transfer knowledge of best practice in seed variety selection and fertilizer and CPC application. 50% of SHPUK members surveyed said that they were using information received through the KADP project to provide advice to their clients, primarily on layer management, poultry diseases and feed formulation. Over 90% of those surveyed stated that they considered further KADP training provided through the associations, of great

				<p>importance for the development of technical and business skills.</p> <ul style="list-style-type: none"> • First in series of four ‘drive by’ surveys of main cereal crops conducted in May. Survey provided information on average levels of fertilizer and pesticide use on winter wheat crops. [for summary of survey results see section 1.1 of 1a above] • One additional winter wheat survey and two maize surveys planned this season in conjunction with MAFRD extension officials. • Needs assessment questionnaire designed to gauge the potential demand for accounting services from association members. Survey to be conducted in June-July. [see section 1.4 of 1b above]
3. Promotion of Technology Packages for Wheat and Maize (product diversification and quality improvement)				
3.1 Prepare technical brochures on soybean cultivation, milling technology, poultry management and compound fertilizers				<ul style="list-style-type: none"> • The following extension brochures were produced and distributed by the KADP extension and publications teams during the quarter: <ul style="list-style-type: none"> - best maize cultivation practices, covering planting techniques and fertilizer application - 200 copies (inc. 20 in Serbian) for MAFRD and KODAA representatives and farmers, - best practices in handling and application of urea on maize crops - 200 copies (inc. 20 in Serbian) for MAFRD and KODAA representatives and farmers, - best practices in handling and application of Monosan Herby on maize crops - 200 copies (inc. 20 in Serbian) for MAFRD and KODAA representatives and farmers, - implications of minimum tillage for input use, drainage and profits (30 copies for MAFRD and KODAA representatives and farmers), • Additional agronomy advice notes on forage crops, maize demonstrations and input associated inputs prepared by KADP extension team. • March issue of AKA newsletter included article on maize hybrids and yield implications in lead up to planting on 200 KADP/MAFRD/KODAA assisted demonstration farms. • Insert into May issue of AKA newsletter introduced interested parties to the treatments, varieties and crossbreds used in the KADP winter wheat test plots.
3.2 Prepare a producer page in the AKA newsletter and distribute directly to farmers				<ul style="list-style-type: none"> • The following information for farmers was included in the March issue of the AKA newsletter: <ul style="list-style-type: none"> - New maize hybrids and their implications for on-farm yields. • The following information for farmers was included in the April issue of the AKA newsletter: <ul style="list-style-type: none"> - Information on the KADP/MAFRD/KODAA on-farm maize demonstration initiative. - Obstacles to the development of the poultry industry in Kosovo. - Beekeeping and the impact of the Varoa Jacobsen mite. - Information regarding the regional presence and CPC products of the multinational company <i>Syngenta</i>. - Information on the most effective techniques for applying urea and safe and effective application of Monosan Herby to maize. • The following information for farmers was included in the May issue of the AKA newsletter: <ul style="list-style-type: none"> - Analysis of egg price fluctuations and implications for Kosovar production. - Information on the planting of project legume trials, which introduce high value feed crops not used before in Kosovo. - Information on the need for improved herbicide use in Kosovo, based on clear lack of herbicides on emerging crops. - Special insert on treatments, varieties and crossbreds used in the KADP winter wheat test plots. • See also section 1.5 of 1b above for distribution details. • See also section 3.6 below.
3.3 Organize coverage of general meetings of associations, field days, seminars and other activities of the project				<ul style="list-style-type: none"> • The following coverage of KADP/AKA activities was provided by the local media during March: <ul style="list-style-type: none"> - AKA hosted visit of KASH delegation of Albanian members of parliament and agricultural association presidents to

				<p>Kosovo (broadcast). [see section 2.2 under 1a above]</p> <ul style="list-style-type: none"> - Maize demonstration work on 200 farms across Kosovo in conjunction with MAFRD and KODAA (print). [see section 2.5 above] • The following coverage of KADP/AKA activities was provided by the local media during April: <ul style="list-style-type: none"> - Sowing of KADP trial plots for maize and legumes (broadcast). [see section 2.3 above] - KODAA hosted presentation of Syngenta regional CPC distribution network and products (broadcast). [see section 1.3 under 1a above] - Maize demonstration work on 200 farms across Kosovo in conjunction with MAFRD and KODAA (broadcast and print). [see section 2.5 above] • The following coverage of KADP/AKA activities was provided by the local media during May: <ul style="list-style-type: none"> - Television: 1 broadcast (RTK) covering the project contribution to agricultural development in the view of the outgoing USAID Mission Director Craig Buck. - Radio: 3 broadcasts (Radio Dukagjini, Radio Kosova) covering the KODAA general meeting and the results of the KODAA election. - Print: 9 articles (Kosova Live, Koha Ditore, Bota Sot, 24 Ora, Epoka e Re) covering the spring planting of wheat, maize and forage crops by the KADP extension team, KODAA general meeting and the results of the KODAA election. - AKA Newsletter: 9 articles providing information on USAID and KODAA, practical agronomic advice and updates on egg prices, the Gjakovo trade fair and association training in Montenegro.
3.4 Prepare media and TV campaign to address farmers and association concerns				<ul style="list-style-type: none"> • Media campaign during the quarter focused on the visit of the KASH delegation from Albania and promoting the work of the KADP extension team. • 1,000 copies of AKA newsletter distributed monthly to association members, farmers and projects active in agricultural development in Kosovo. • Special insert into May issue of AKA newsletter explaining discount at Kosovar petrol station for AKA association members. • Several articles in AKA newsletters during the quarter covering the progress of association member loan repayments and the credit facilitation work of the KADP project. • See also sections 3.2 and 3.3 above.
3.5 Prepare newspaper articles on association and KADP activities, and submit to local newspapers for publication				<ul style="list-style-type: none"> • See section 3.3 above.
3.6 Collect price information for main inputs and out puts and publish in AKA Newsletter and local newspapers				<ul style="list-style-type: none"> • KADP agricultural input and food (64 commodities) price data from 8 municipalities (three outlets in each) monitored on a weekly basis and published monthly in the AKA newsletter. • Analysis of egg price fluctuations and implications for Kosovar production in May issue of AKA newsletter illustrated by graph drawing on KADP price data. • Price data for agricultural inputs and food, previously collected by FAO and recently transferred to SOK, updated from start year. • KADP and FAO/SOK price data to be collated into a standard Kosovo agricultural input and produce price index during PY3Q1.
3.7 Organize media training on disseminating the results to the farmers				<ul style="list-style-type: none"> • KADP media and publications team worked closely with representatives of print and broadcast media to explain the importance of promoting KADP tested best technology packages for wheat and maize. • AKA Executive Director trained in media relations and use of media by NGOs/associations to promote its advocacy position. Executive Director provided training in media relations to both AKA association boards of directors and NGOs at large as part of his trainer training commitment. [see section 4.1 under 1a above for details] • KADP/AKA media team assisted the new EAR Agricultural Information Campaign (AIC) project in identifying journalists active in agricultural issues in Kosovo. KADP staff, AKA representatives and one KADP/MAFRD/KODAA farmer selected as members of the AIC Steering Committee, which will coordinate the work of media in agriculture in Kosovo. First AIC Steering Committee meeting scheduled for June 2002. • KADP/AKA media specialists work with AIC staff to develop a calendar of agricultural events for use by journalists.

Annex 1. Samples of IFDC-KADP Media Coverage March-May 2002



Sample of Media Coverage

Kosova Live
24 Ore

10th March 2002
11th March 2002

**Establishment of an Albanian-Kosovar
Joint Committee for Agriculture**

Discussions between the parties focused on the reduction of tariffs between the Kosovo and Albania and building trade contacts in the field of agriculture. Kosovo is the only country that has taxes on raw materials. There was also agreement on the need to push on with the construction of the planned highway from Prishtina to Durrës.

A delegation including representatives of the IFDC (International Fertilizer Development Center) project in Albania and the Albanian Council of Agro-Businesses (KASH) visited Kosovo and made an agreement with their counterparts in the Kosovar Alliance of Agro-Business (AKA) on the establishment of a Joint Committee for Cooperation. 'Deputies and representatives of KASH from Albania, supported by IFDC, met with AKA and state officials in Kosovo to discuss new initiatives and trade relations, particularly in the field of agriculture'- said Claude Freeman, Chief of Party of the IFDC Albania project.

The voice of agricultural organizations should be united for governmental relations

Freeman said that with financial backing from USAID, IFDC has supported agriculture development in Albania, 'but the aim of this visit is to discuss the forms of cooperation with Kosovo.' According to him, during the meetings held in Pristina, discussions focused on reducing tariffs between Kosovo and Albania and the development of trade in the field of agriculture.

The IFDC Chief of Party said that voice of private agriculture in Albania was one in their advocacy to the government, noting that this was now taking place in Kosovo too. KASH in Albania includes 17 agricultural associations and represents 80% of producers, processors and traders of agricultural products.

Agim Rrapaj, the President of KASH, told *Kosova Live* that the aim of their visit was to coordinate with their Kosovar colleagues on opening up new prospects for trade and the exchange of agricultural products.. He added that KASH is keen that Kosovo does not repeat the mistakes of Albania in field of trade, legislation and customs. Rrapaj said that during the meetings that he had with the Prime Minister of Kosovo and with the Chairman of the Parliament, he has found common interest for cooperation in the future.

Trade barriers should be removed

At the meeting held with the Director of the Kosovar Customs Service, Mr. Ylber Rraci, two primary barriers to economic cooperation between Albania and Kosovo were identified. The first one, according to Mr. Rraci, is the Preferential Trade Agreement signed in 1996 and honored by UNMIK. The agreement penalizes the produce of other countries. The second barrier, according to the Director of KCS, is the duty-paid on raw materials. 'Kosovo is the only country where import taxes are levied on raw materials' said Mr. Rraci.

In the agreement for the establishment of a Joint Committee between Albania and Kosovo in the field of agribusiness, KASH and AKA promised to exchange of information on the customs and fiscal procedures in Kosovo and Albania. They also informed the government of Kosovo, UNMIK, the IMF and the World Bank about current trade barriers by means of an official letter.

The two associations further agreed to advocate for the development of the project constructing the Pristina-Durrës highway. IFDC-Kosovo (a USAID agricultural development program) and AKA hosted the visit of the Albanian delegation.



Sample of Media Coverage

24 Ore

6th May 2002

IFDC Continues to Assist in the Development of Kosovar Agriculture

Ten maize and 18 forage crop varieties tested

Today saw the completion of planting in two parcels of ten varieties of maize and 18 of new forage crops in Kosovo. The IFDC is conducting the tests of these crops. Trial plots have been selected in lowland Kosovo in the village of Albana e Madhe and in the village of Llaushë in Rahovec Municipality.

The planting of maize varieties this year, to be tested as to their suitability to our region, follows on from a similar series of tests conducted last year. This year's maize trials include both early and late germination varieties such as *Romana*, *Monalisa*, *Radial*, *Cecilia* etc. The forage crops, for use as animal feed such as lentils and peas are being tested for the first time ever in Kosovo, with the exception of soyabean, which was also tested also last year.

John Griffiths, IFDC Extension Adviser, Milazim Makolli, IFDC Extension Coordinator and Kimete Isufi, qualified agronomist supervised the sowing these crops that are and will be vital for the development of agriculture in Kosovo.